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**ARIZONA CORPORATION COMMISSION**

**Bob Stump**  
Commissioner

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December 21, 2010

The Honorable Steven Chu  
Secretary of Energy  
U. S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

***VIA FACSIMILE and U. S. Postal Service***

Dear Secretary Chu:

I continue to be disappointed that you have not suspended the requirement forcing electricity consumers to pay into the Nuclear Waste Fund, which was instituted to develop and maintain a repository to store the nation's nuclear waste. Your office was urged to suspend this fee on ratepayers as early as January 2010. It is now December, and our utilities – and, more importantly, our ratepayers – are still paying into the fund, with no perceivable benefit whatsoever.

Customers from Arizona's two largest utility companies, Arizona Public Service Co., and Salt River Project, have already paid \$258 million to the fund. Since the early 1980s, nuclear-power utilities nationwide have paid a tenth-of-a-cent per kilowatt-hour into this fund, which now holds billions of dollars.

Why are Arizonans and our nation's ratepayers, who are working to recover from one of the harshest recessions in American history, being forced to continue to pay this fee, with no benefit in sight?

The Administration has clearly stated that the Yucca project is "not workable." Yet in your Secretarial Determination of the Adequacy of the Nuclear Waste Fund Fee, dated November 1, 2010, you stated that "there is no reasonable basis at this time to conclude that either excess or insufficient funds are being collected and thus [I] will not propose an adjustment to the fee to Congress." How is the fee justifiable when there are no other options for nuclear waste disposal?

Yucca Mountain was identified as a repository in 1987. For the past two decades, over \$10 billion dollars have been spent researching and developing Yucca Mountain as a repository for the nation's nuclear waste. Since 1983, our nation's nuclear-power consumers have paid more than \$24 billion in fees and interest into the fund. Considering that the purpose of the fund was to build a repository, customers should not have to continue to contribute approximately \$770 million in annual payments to the fund.

The Honorable Steven Chu  
RE: Nuclear Waste Fund

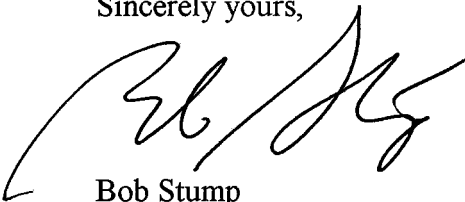
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I was heartened by the unanimous decision of the three administrative judges of the Atomic Safety and Licensing Board of the Nuclear Regulatory Commission. I understand that a decision by the NRC is still pending and I am hopeful that the panel's decision will be confirmed. I strongly urge your support of the NRC to complete its independent regulatory review. Only then should a decision be made about whether or not a repository at Yucca Mountain is workable.

Meantime, I would request that our ratepayers no longer pay for this costly experiment, and that you release the nation's ratepayers from making payments to the Federal Nuclear Waste Fund until a workable solution is found.

If the federal government will not fulfill its obligations to the nation by building a repository for the states' nuclear waste, it should, at the very least, stop assessing a fee on electricity consumers in these tough economic times.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Bob Stump', with a large, sweeping flourish extending from the end of the signature.

Bob Stump  
Commissioner

Cc: Chairman Kristin Mayes  
Commissioner Gary Pierce  
Commissioner Paul Newman  
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Governor Janice K. Brewer  
Senator John McCain  
Senator Jon Kyl  
Tony Clark, President, NARUC  
Donald E. Brandt, Chairman & CEO, Arizona Public Service  
David Rousseau, President, Salt River Project